

### Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

#### Stage 1

##### Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	N/A	
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	N/A	
Relevant Group Head review	N/A	
MAT+ review (to have been circulated <b>at least 5 working days before Stage 2</b> )	N/A	
This item is on the Forward Plan for the relevant committee	Yes	
	Reviewed by	
Risk comments		
Legal comments	LH	18/05/26
HR comments (if applicable)	N/A	

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

#### Stage 2

##### Report checklist – responsibility of report owner

ITEM	Completed by	Date
Monitoring Officer commentary – at least <b>5 working days before MAT</b>	L Heron	18/05/26
S151 Officer commentary – at least <b>5 working days before MAT</b>	T Collier	14/05/26
Confirm final report cleared by MAT	I Bond	19/05/26

# Audit Committee

23 June 2026

<b>Title</b>	Annual Internal Audit Conclusion 2025-26
<b>Purpose of the report</b>	To consider and note the Annual Internal Audit Conclusion 2025-26.
<b>Report Author</b>	Iona Bond, Deputy Head of Southern Internal Audit Partnership
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	N/A
<b>Corporate Priority</b>	Community Addressing Housing Need Resilience Environment Services
<b>Recommendations</b>	To consider and note the Annual Internal Audit Conclusion 2025-26.
<b>Reason for Recommendation</b>	In accordance with the Internal Audit Charter, the Audit Committee is required to consider the Annual Internal Audit Conclusion of the Chief Internal Auditor.

## 1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> <li>In accordance with the Global Internal Audit Standards the Chief Internal Auditor is required to provide an Annual Conclusion including an opinion on the framework of governance, risk management and control.</li> </ul>	<ul style="list-style-type: none"> <li>The Annual Internal Audit Conclusion can be used by the Council to inform their Annual Governance Statement for 2025-26. The annual audit conclusion culminates in an overall opinion on the adequacy and effectiveness of the organisations' framework of governance, risk management and control.</li> </ul>
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> <li>Consider and note the Annual Internal Audit Conclusion 2025-26.</li> </ul>	<ul style="list-style-type: none"> <li>For Management Team to review and note the Chief Internal Auditor's Annual Conclusion for 2025-26.</li> </ul>

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|  | <ul style="list-style-type: none"><li>• For Audit Committee to consider and note the Annual Internal Audit Conclusion for 2025-26.</li><li>• For the organisation to consider the report to help inform their Annual Governance Statement 2025-26.</li></ul> |
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1.1 The purpose of this paper is to present the Annual Internal Audit Conclusion for 2025-26 (Appendix A) in accordance with the requirements of the Global Sector Internal Audit Standards.

## 2. Key issues

### Contextual information

2.1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:

- ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk, and
- undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.

2.2 The Annual Internal Audit Conclusion for 2025-26 provides the Chief Internal Auditor's opinion on the effectiveness of the framework of governance, risk and control and summarises audit work from which that opinion is derived for the year 2025-26.

2.3 The Audit Committee's attention is drawn to the following points:

- Internal audit was compliant with the Global Internal Audit Standards during 2025-26.
- The revised internal audit plan for 2025-26 has been fully delivered.
- The Council's framework of governance, risk management and management control are considered to be 'Reasonable'.

## 3. Risk implications

3.1 In delivery of the programme of audit work for 2025-26 the Chief Internal Auditor has ensured that a risk-based approach has been applied in line with audit standards and focussed on areas of higher priority that align with

corporate priorities and objectives. Consideration has been given to current and emerging risks facing the Council during 2025-26.

#### **4. Financial implications**

- 4.1 There are no direct financial implications arising from this report. The Annual Internal Audit Conclusion from the Southern Internal Audit Partnership provides an independent opinion on the Council's governance, risk management, and internal control arrangements. While no additional costs have been identified, failure to address the weaknesses highlighted could expose the Council to financial and reputational risks. Any actions requiring additional resources will be managed within existing budgets where possible or otherwise brought forward separately for approval.

#### **5. Legal comments**

- 5.1 Under section 5 of the Accounts and Audit Regulations 2015 the Council is required to "undertake an effective internal audit to evaluate the effectiveness of its risk management control and governance processes, taking into account public sector internal auditing standards and guidance".
- 5.2 The Global Internal Audit Standards are mandatory further to the Accounts and Audit (England) Regulations 2015. The Global Internal Audit Standards require the Council as a public body to provide an annual opinion on the effectiveness of its risk management, control and governance arrangements.
- 5.3 This report assists the Council to demonstrate compliance with the statutory requirements.

## **Corporate implications**

### **6. S151 Officer comments**

- 6.1 There are no direct financial implications arising from this report. However, it highlights in 4 areas of limited assurance including risk management and improvement and recovery plan, in both these areas a considerable amount of further work has since been undertaken. It is positive to note that the overall opinion on the framework of risk management and governance is “reasonable” and that the audit testing has demonstrated controls to be working in practice. However, having said that, as the draft Annual Governance Statement also highlights, the Council has further to go on the Improvement and Recovery journey.

### **7. Monitoring Officer comments**

- 7.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

### **8. Procurement comments**

- 8.1 None

### **9. Equality and Diversity**

Equality and diversity are key considerations that feature in the assessment of risk and audit needs.

### **10. Sustainability/Climate Change Implications**

- 10.1 Sustainability is a key consideration and features in the assessment of risk and audit needs.

### **11. Other considerations**

- 11.1 None

### **12. Timetable for implementation**

- 12.1 Applicable for the period 1 April 2025 – 31 March 2026

### **13. Contact**

- 13.1 Iona Bond, Deputy Head of Southern Internal Audit Partnership  
[iona.bond@hants.gov.uk](mailto:iona.bond@hants.gov.uk)

***Please submit any material questions to the Committee Chair and Officer  
Contact by two days in advance of the meeting.***

**Background papers: None.**

**Appendices:**

**Appendix A – Annual Internal Audit Conclusion 2025-26**

**Appendix B – Exempt Item**